

# CHAPTER 3

## Federalism

### REVIEWING THE CHAPTER

#### CHAPTER FOCUS

The central purpose of the chapter is to introduce you to some of the complexities of government in the United States caused by the adoption of a federal system, that is, one in which both the national and state governments have powers independent of one another. You should also note how the nature and the effects of U.S. federalism have changed throughout U.S. history and continue to change to this day. After reading and reviewing the material in this chapter, you should be able to do each of the following:

1. Explain the difference between federal and centralized systems of government, and give examples of each.
2. Show how competing political interests at the Constitutional Convention led to the adoption of a federal system, but one that was not clearly defined.
3. Outline the ways in which the courts interpreted national and state powers and why the doctrine of dual federalism is still alive.
4. State why federal grants-in-aid to the states have been politically popular, and cite what have proved to be the pitfalls of such grants.
5. Distinguish between categorical grants and block grants or general revenue sharing.
6. Explain why, despite repeated attempts to reverse the trend, categorical grants have continued to grow more rapidly than block grants.
7. Distinguish between mandates and conditions of aid with respect to federal grant programs to states and localities.
8. Define *devolution* and its roots.
9. Discuss whether or to what extent federal grants to the states have succeeded in creating uniform national policies comparable to those of centralized governments.

#### STUDY OUTLINE

- I. Introduction
  - A. The story of Susette Kelo
    1. Property condemned by city officials
    2. Desire to redevelop area with pricey townhouses, malls and a large hotel
    3. Supreme Court upheld the city's decisionmaking
      - a) Property can be seized for public use
      - b) Property can be seized for economic development in distressed communities
  - B. What could anyone do about it?

## II. Why “federalism” matters

- A. Reaction to the *Kelo* decision and other examples of tension and variation in policy-making
  - 1. Grass roots lobbying campaigns
  - 2. Thirty-four states tightened laws to make seizures more difficult
  - 3. Half of the states have a minimum wage standard that is higher than the federal standard
  - 4. Sometimes, but not always, the national government leads in making, administering and funding expensive public policies
- B. Federalism
  - 1. Definition: system in which the national government shares power with local governments
  - 2. States have a specially protected existence and authority (not merely junior partners)
  - 3. The implementation and funding of federal decisions depends upon state and local government
  - 4. The impact of federalism is widespread (roads, crime, civil liberties, civil rights, etc.)
  - 5. The degree and manner in which federalism has mattered has changed over time
    - a) Recent highly visible attempts to scale back the national government
      - (1) Devolution
      - (2) Block grants
    - b) Long-standing tension between national and state governments
      - (1) Slavery
      - (2) Regulation of business and social welfare programs
      - (3) States rights
      - (4) Mandates

## III. Governmental structure and assessment

- A. Structure and examples
  - 1. Definition: political system with local governmental units, in addition to national ones, that can make final decisions
  - 2. Examples of federal governments: Canada, India, and Germany
  - 3. Examples of unitary governments: France, Great Britain, and Italy
  - 4. Special protection of subnational governments in federal system is the result of
    - a) Constitution of country
    - b) Habits, preferences, and dispositions of citizens
    - c) Distribution of political power in society
  - 5. National government largely does not govern individuals directly but gets states to do so in keeping with national policy
- B. Good or bad?
  - 1. Confusion about responsibility for particular functions can have dire consequences
    - a) Hurricanes Katrina and Rita led to fighting between federal, state and local officials
    - b) First-responders and disaster relief workers were nongovernmental, volunteers
    - c) Some government agencies made delivery of aid harder
  - 2. Negative views: block progress and protect powerful local interests
    - a) Laski: states “poisonous and parasitic”
    - b) Riker: perpetuation of racism
  - 3. Positive view: Elazar: strength, flexibility, and liberty
  - 4. Federalism makes good and bad effects possible
    - a) Different political groups with different political purposes come to power in different places
    - b) *Federalist No. 10*: small political units dominated by single political faction

- C. Increased political activity
  - 1. Most obvious effect of federalism: facilitates mobilization of political activity
  - 2. Federalism lowers the cost of political organization at the local level

#### IV. The Founding

- A. A bold, new plan to protect personal liberty
  - 1. Founders believed that neither national nor state government would have authority over the other because power derives from the people, who shift their support
  - 2. New plan had no historical precedent
  - 3. Tenth Amendment was added as an afterthought, to define the power of states
- B. Elastic language in Article I: necessary and proper
  - 1. Precise definitions of powers politically impossible because of competing interests, such as commerce
  - 2. Hence vague language—"necessary and proper"
  - 3. Hamilton's view: national supremacy because Constitution supreme law
  - 4. Jefferson's view: states' rights with people ultimate sovereign

#### V. The debate on the meaning of federalism

- A. The Supreme Court speaks
  - 1. Hamiltonian position espoused by Marshall
  - 2. *McCulloch v. Maryland* settled two questions
    - a) Could Congress charter a national bank? (yes, because "necessary and proper")
    - b) Could states tax such a bank? (no, because national powers supreme)
  - 3. Later battles
    - a) Federal government cannot tax state bank
    - b) Nullification doctrine led to Civil War: states void federal laws they deem in conflict with Constitution
- B. Dual federalism
  - 1. Both national and state governments supreme in their own spheres
  - 2. Hence interstate versus intrastate commerce
    - a) Early product-based distinction difficult
    - b) "Original package" also unsatisfactory
- C. State sovereignty
  - 1. Mistake today to think dual federalism is entirely dead
    - a) Supreme Court has limited the use of the commerce clause
    - b) New life has been given to the Eleventh Amendment
    - c) Although not all recent Supreme Court decisions support greater state sovereignty
  - 2. Constitutional basis of state and local government
    - a) New debates have resurrected notion of state police powers
    - b) State constitutions tend to be more detailed and expansive
    - c) Many state constitutions open the door to direct democracy
      - (1) initiative
      - (2) referendum
      - (3) recall
    - d) Existence of the states guaranteed while local government exist at pleasure of states

#### VI. Federal-state relations

- A. Grants-in-aid
  - 1. Grants show how political realities modify legal authority
  - 2. Began before the Constitution with "land grant colleges," various cash grants to states
  - 3. Dramatically increased in scope in the twentieth century

- 4. Were attractive for various reasons
    - a) Huge budget surpluses in 1880s
    - b) Federal income tax was created
    - c) Federal management of money and the power to print more at will
    - d) “Free” money for state officials
  - 5. Required broad congressional coalitions
    - a) Example: federal funds for increased public safety post-September 11
    - b) Example: Homeland Security grants and fair share formulas
  - B. Meeting national needs: 1960s shift in grants-in-aid
    - 1. From what states demanded to what federal officials found important as national needs
    - 2. Impact of the rise of “federal activism”
      - a) Increase in federal grants to state and local government
      - b) Shift in the purposes for such money
  - C. The intergovernmental lobby
    - 1. Hundreds of state, local officials lobby in Washington
    - 2. Federal agencies have staff members that provide information, technical assistance, and financial support to state and local organizations
    - 3. Purpose: to get more federal money with fewer strings
  - D. Categorical grants versus revenue sharing
    - 1. Categorical grants for specific purposes often require local matching funds
    - 2. Block grants devoted to general purposes with few restrictions
    - 3. Revenue sharing requires no matching funds and provides freedom in how to spend
      - a) Distributed by statistical formula
      - b) Ended in 1986
    - 4. Neither block grants nor revenue sharing achieved the goal of giving states more freedom in spending.
      - a) Neither grew as fast as the states had hoped—categorical grants, on the other hand, continued to grow
      - b) The federal government increasingly attached “strings” to what was supposedly unrestricted
    - 5. Why block grants grow more slowly?
      - a) Desire for federal control and distrust of state government
      - b) No single interest group has a vital stake in multipurpose block grants, revenue sharing
      - c) Categorical grants are matters of life or death for various agencies
  - E. Rivalry among the states
    - 1. Increased competition a result of increased dependency
    - 2. Snowbelt (Frostbelt) versus Sunbelt states
      - a) Difficulty telling *where* funds spent
      - b) Difficulty connecting funds to growth rates
      - c) Focus on formulas and their impact
    - 3. Census takes on monumental importance
- VII. Federal aid and federal control
- A. Introduction
    - 1. Fear of “Washington control” and jeopardy of Tenth Amendment
    - 2. Failed attempts at reversal in trends (block grants and revenue sharing)
    - 3. Traditional and newer forms of federal controls on state governmental actions
      - a) Conditions of aid tell a state government what it must do to obtain grant money
      - b) Mandates tell state governments what to do, in some instances even when they do not receive grant money

- B. Mandates
  - 1. Most concern civil rights and environmental protection
  - 2. Administrative and financial problems often result
  - 3. Federal-state disputes, fueling the friction
    - a) Some mandates are not adequately funded
    - b) Explaining the variation in funding
      - (1) Number is high in environmental policy, low in education policy and moderate in health policy
      - (2) Lower rates of spending are associated with more mandates
      - (3) Waivers more easily obtained in some policy areas than others
  - 4. Additional costs imposed on the states through
    - a) Federal tax and regulatory schemes
    - b) Federal laws exposing states to financial liability
  - 5. Federal courts have fueled the growth of mandates
    - a) Interpretations of the Tenth Amendment have eased flow of mandates
    - b) Court orders and prisons, school desegregation, busing, hiring practices, police brutality
- C. Conditions of aid
  - 1. Received by states voluntarily, at least in theory
    - a) Financial dependence blurs the theory
    - b) Civil rights generally the focus of most important conditions in the 1960s, a proliferation has continued since the 1970s
      - (1) Conditions range from specific to general
      - (2) The states and federal government disagree about the costs and benefits of rules
  - 2. Different demands result in complex bargaining among government officials
    - a) Bargains originally favored local officials
    - b) Emergence of Washington's needs over local needs

### VIII. A devolution revolution?

- A. Efforts of the Reagan administration
  - 1. Consolidation of categorical grants into block grants
  - 2. Less money sent to the states, but with fewer strings
  - 3. States started spending more of their own money as well
- B. Republican efforts in the 1990s
  - 1. Attempt to cut government spending, roll back federal regulations and shift important functions back to the states
  - 2. Reform of AFDC
  - 3. Devolution
    - a) An old idea led from a new direction, Congress
    - b) Spending was considered a form of constituency service
- C. Was the era of big national government over?
  - 1. Annual federal spending per household up
  - 2. Federal revenues and debts are at an all time high
  - 3. Spending by state and local government spending has increased as well
  - 4. Large, costly federal programs remained and were not turned into block grant programs (Medicaid)
  - 5. There have been more, not fewer government rules and regulations
- D. Impact of devolution – where it did occur
  - 1. Dramatic decrease in welfare rolls
  - 2. Second order devolution
  - 3. Third order devolution

- E. Congressional preemption
  - 1. Express preemption
  - 2. Implied preemption
- IX. Congress and federalism: nation far from wholly centralized
  - A. Members of Congress still *local* representatives
  - B. Members of Congress represent different constituencies from the same localities
  - C. Link to local political groups eroded
  - D. Differences of opinion over which level of government works best

## KEY TERMS MATCH

Match the following terms and descriptions:

- 1. Governmental concerns considered to be primarily the responsibility of the central government
  - 2. Governmental concerns considered to be primarily the responsibility of the state governments
  - 3. Allows a violation of a law or a rule that would otherwise apply
  - 4. Individual who shared Hamilton's viewpoint on federalism as a member of the United States Supreme Court
  - 5. Supreme or ultimate political authority
  - 6. A system in which sovereignty is wholly in the hands of the national government
  - 7. A system in which the state governments are sovereign and the national government may do only what the states permit
  - 8. A system in which sovereignty is shared between the national and the state governments
  - 9. Individual who argues the main effect of federalism since the Civil War has been to perpetuate racism
  - 10. The Founders' term for a federation
  - 11. The clause that stipulates that powers not delegated to the United States are reserved to the states or to the people
- a. AFDC
  - b. block grants
  - c. categorical grants
  - d. conditions of aid
  - e. confederation or confederal system
  - f. devolution
  - g. dual federalism
  - h. Daniel J. Elazar
  - i. federal system
  - j. federal republic
  - k. grants-in-aid
  - l. initiative
  - m. intergovernmental lobby
  - n. interstate commerce
  - o. intrastate commerce
  - p. land grant colleges
  - q. James Madison
  - r. John Marshall
  - s. *McCulloch v. Maryland*
  - t. mandates
  - u. Medicaid
  - v. national interests
  - w. necessary-and-proper clause
  - x. nullification

- 12. A Supreme Court decision embodying the principle of implied powers of the national government
- 13. The phrase used by the Supreme Court to create the category of implied powers of the national government
- 14. A doctrine espoused by Calhoun that states could hold certain national policies invalid within their boundaries
- 15. The doctrine that both state and national governments are supreme in their respective spheres
- 16. Federal funds provided to states and localities
- 17. Individual who argues federalism has contributed to political flexibility and individual liberty
- 18. State educational institutions built with the benefit of federally donated lands
- 19. A federal grant for a specific purpose, often with accompanying conditions and/or requiring a local match
- 20. A federal grant that could be used for a variety of purposes, usually with few accompanying restrictions
- 21. Business that is conducted entirely within one state
- 22. Federal rules that states must follow, whether they receive federal grants or not
- 23. Federal rules that states must follow if they choose to receive the federal grants with which the rules are associated
- 24. An interest group made up of mayors, governors, and other state and local officials who depend on federal funds
- y. police powers
- z. recall
- aa. referendum
- bb. revenue sharing
- cc. William H. Riker
- dd. second-order devolution
- ee. sovereignty
- ff. states' rights
- gg. Tenth Amendment
- hh. third-order devolution
- ii. unitary system
- jj. waiver

25. The Federalist author who said that both state and federal governments “are in fact but different agents and trustees of the people constituted with different powers”
26. Business that is conducted in more than one state
27. Program to distribute welfare benefits that was formerly federally funded then devolved to the states in 1996
28. Federally funded medical care for the poor
29. An effort to shift responsibility for a wide range of domestic programs from Washington to the states
30. Those state laws and regulations not otherwise unconstitutional, that promote health, safety, and morals
31. A procedure whereby voters can remove an elected official from office
32. A procedure that enables voters to reject a measure adopted by the legislature
33. A procedure that allows voters to place legislative measures (and sometimes constitutional amendments) directly on the ballot by getting a specified proportion of voter signatures on a petition
34. Refers to a flow of power and responsibility from the states to local governments
35. A federal grant that requires no matching funds and provides freedom in how to spend it
36. Refers to the increased role of nonprofit organizations and private groups in policy implementation

## DATA CHECK

### Table 3.1 (Page 63): Federal Grants to State and Local Government (Federal Fiscal Year 2006)

1. What was the total amount of dollars given to state and local government by the federal government in fiscal year 2006?  
\_\_\_\_\_
2. What was the total percentage of federal dollars used for education, training, employment and social services?  
\_\_\_\_\_
3. What was the total percentage of federal dollars used for transportation?  
\_\_\_\_\_
4. What specific government program accounted for the largest percentage of federal dollars?  
\_\_\_\_\_

### Figure 3.2 (Page 64): The Changing Purposes of Federal Grants to State and Local Governments

5. Where was the highest percentage of grant money spent in 1960 and 2006?  
\_\_\_\_\_
6. How did education spending change from 1960 to 2006?  
\_\_\_\_\_
7. How did spending on transportation and highways change from 1960 to 2006?  
\_\_\_\_\_

## PRACTICING FOR EXAMS

### TRUE/FALSE QUESTIONS

Read each statement carefully. Mark true statements *T*. If any part of the statement is false, mark it *F*, and write in the space provided a concise explanation of why the statement is false.

1. T F The Supreme Court has allowed a local government to seize private property in order to “promote economic development.”  
\_\_\_\_\_
2. T F The minimum wage in most states is higher than the federal standard.  
\_\_\_\_\_
3. T F Today, an effort is being made to scale back the size and activity of the national government.  
\_\_\_\_\_

4. T F Almost every nation in the world has local units of government of some kind.
- 
5. T F The United States, Canada, and France are examples of federal governments.
- 
6. T F The constitution of the former Soviet Union created a federal system in theory.
- 
7. T F In France, education, the police and the use of land are all matters that are directed nationally.
- 
8. T F William Riker and Daniel J. Elazar have remarkably divergent viewpoints on the value of American federalism.
- 
9. T F Federalism was intended by the Founders to operate as a protection for personal liberty.
- 
10. T F If the *Federalist* papers are a guide, the Founders envisioned a system where neither the national nor state government would have supreme authority over the other.
- 
11. T F Federalism was an entirely new plan, for which no historical precedent existed.
- 
12. T F The Constitution makes clear distinctions between inter- and intrastate commerce.
- 
13. T F The Tenth Amendment has rarely had much practical significance.
- 
14. T F Alexander Hamilton thought the national government was the superior and leading force in political affairs.
- 
15. T F James Madison argued for state supremacy at the Constitutional Convention.
- 
16. T F *McCulloch v. Maryland* grew out of the refusal of a federal official to deliver a warrant to a duly appointed justice of the peace.
- 
17. T F The word “bank” does not appear in the Constitution.
- 
18. T F States cannot make treaties with foreign nations.
-

19. T F In *McCulloch*, Chief Justice Marshall concluded that a state could not tax an entity of the federal government.
- 
20. T F Nullification first became an issue during the Civil War.
- 
21. T F The doctrine of nullification held that a state could refuse to enforce within its boundaries a federal law that exceeded the national government's authority.
- 
22. T F Dual federalism implied Congress had the power to regulate interstate commerce.
- 
23. T F Professional baseball is not considered to be interstate commerce.
- 
24. T F It would be a mistake to think the doctrine of dual federalism is entirely dead.
- 
25. T F In 1997, the Supreme Court upheld a law which required local police to conduct background checks on all gun purchasers.
- 
26. T F The Eleventh Amendment protects states from lawsuits by citizens of other states and foreign nations.
- 
27. T F A referendum allows voters to place legislative measures (and sometimes constitutional amendments) directly on the ballot by getting enough signatures on a petition.
- 
28. T F The existence of states is guaranteed by the federal Constitution.
- 
29. T F The federal government sometimes finds that the political limitations on its exercise of power over the states are greater than the constitutional limitations.
- 
30. T F Federal grants-in-aid began even before the Constitution was adopted.
- 
31. T F Cash grants-in-aid began in the late 1950s.
- 
32. T F The text suggests that, initially, the most attractive feature of federal grants-in-aid was the fact that there were surpluses in the federal budget.
-

33. T F Most of the federal grant money to state and local governments is used for transportation and highways.
- 
34. T F Governors and mayors complained about categorical grants.
- 
35. T F Block grants are sometimes called “special revenue sharing.”
- 
36. T F Distribution of money related to revenue sharing was based on a formula which took into account population.
- 
37. T F Members of Congress speak about “local needs” with a single voice in Washington as a result of party strength.
- 

## MULTIPLE CHOICE QUESTIONS

Circle the letter of the response that best answers the question or completes the statement.

1. The Supreme Court’s controversial 2005 decision *Kelo v. City of New London* involved
  - a. government seizure of private property.
  - b. taxation without representation.
  - c. judicial oversight of private daycare facilities.
  - d. protests outside of abortion clinics and adult bookstores.
  - e. private use of drugs for medicinal purposes.
2. The response of many state legislatures to the Court’s decision in the *Kelo* case was to
  - a. legalize some drugs for medicinal purposes.
  - b. remove judges who had violated state codes of ethics.
  - c. expand its scope by amendments to state constitutions.
  - d. restrict its scope by passage of new laws.
  - e. restrict freedom of speech near certain public buildings and private businesses.
3. Today’s effort to scale back the size and activities of the national government and shift responsibilities back to the states has become known as
  - a. devolution.
  - b. anti-federalism.
  - c. reverse-federalism.
  - d. statism.
  - e. repatriation.
4. A system is not federal unless local units of government
  - a. are the official distributors of the national government’s resources.
  - b. exist independently and can make decisions independent of the national government.
  - c. answer solely to the national government.
  - d. make decisions in conjunction with national goals and needs.
  - e. are mere administrative subunits of the national government.

5. The text identifies all of the following has having federal systems *except*
- Canada.
  - Australia.
  - India.
  - Germany.
  - Great Britain.
6. William H. Riker, an American political scientist argued that the “main effect” of federalism since the Civil War has been to
- increase ideological conflicts.
  - increase the tax burden.
  - fuel economic recessions.
  - frustrate the efforts of law enforcement.
  - perpetuate racism.
7. According to the text, the most “obvious” effect of federalism has been to
- modify ideological conflicts.
  - protect the interests of the upper classes.
  - facilitate the mobilization of political activity.
  - reverse the democratic tendency in the states.
  - increase the scope of the president’s power.
8. All of the following statements are correct *except*
- the Constitution does not spell out the powers that the states are to have.
  - the delegates at Philadelphia used “federalism” as a synonym for “unitary.”
  - the Tenth Amendment was added at the insistence of the states.
  - the Founders assumed the federal government would have only those powers given to it by the Constitution.
  - the Tenth Amendment has rarely had much practical significance.
9. Alexander Hamilton’s view of federalism held that
- the federal government and the state governments are equals.
  - state governments were superior to the federal government.
  - the federal government was superior to the state governments.
  - the principle threat to the rights of the people would be the federal government.
  - the government was the product of an agreement among the states.
10. The national supremacy view of the newly formed federal government was powerfully defended by Chief Justice
- John Marshall.
  - James McCulloch.
  - Roger Taney.
  - John C. Calhoun.
  - James Madison.
11. The landmark case *McCulloch v. Maryland* determined that
- a state had the power to tax the federal government.
  - the federal government had the power to tax a state.
  - Congress did not have the power to set up a national bank.
  - the “necessary and proper clause” allowed for the creation of a bank.
  - the Constitution was established by the states.

12. Although the doctrine of nullification is commonly associated with John C. Calhoun, the notion is plainly evident in
  - a. the Declaration of Independence.
  - b. the Articles of Confederation.
  - c. Madison's notes at the Constitutional Convention.
  - d. the Bill of Rights.
  - e. the Virginia and Kentucky Resolutions.
13. After the Civil War the debate about the meaning of federalism focused on the \_\_\_\_\_ clause of the Constitution.
  - a. defense
  - b. tax
  - c. currency
  - d. full faith and credit
  - e. commerce
14. The text suggests that, by the 1940s, Supreme Court rulings concerning the commerce clause
  - a. centered on a rigorous definition of interstate commerce.
  - b. centered on a rigorous definition of intrastate commerce.
  - c. almost always distinguished between interstate and intrastate commerce.
  - d. abandoned hard distinctions between interstate and intrastate commerce.
  - e. consistently struck down federal attempts to regulate commerce.
15. According to the text, federal anti-trust laws do not affect
  - a. artists.
  - b. morticians.
  - c. professional baseball players.
  - d. lawyers.
  - e. window washers.
16. In the 2000 case *United States v. Morrison*, the Supreme Court refused to connect or extend the scope of the commerce clause to
  - a. school restrictions on guns.
  - b. background checks for gun owners.
  - c. copyright law suits.
  - d. abortion laws.
  - e. violence against women.
17. Which of the following statements regarding state constitutions is *incorrect*?
  - a. They tend to be far more detailed than the federal Constitution.
  - b. They tend to embody a more expansive view of government responsibilities.
  - c. They tend to embody a more expansive view of individual rights.
  - d. None of the above.
  - e. All of the above.
18. Which procedure allows voters to reject a measure adopted by the legislature?
  - a. Referendum
  - b. Initiative
  - c. Recall
  - d. Roll back
  - e. Addendum

19. Which procedure allows voters to remove an elected official from office?
  - a. Referendum
  - b. Initiative
  - c. Recall
  - d. Roll back
  - e. Addendum
20. The Constitution guarantees the existence of
  - a. cities.
  - b. counties.
  - c. municipal governments.
  - d. townships.
  - e. the states.
21. At first, federal money seemed attractive to state officials because
  - a. there were budget surpluses.
  - b. the federal income tax was a flexible tool of public finance.
  - c. the production and distribution of currency was managed by the federal government.
  - d. it seemed to be "free."
  - e. All of the above.
22. One odd effect of the fair-share formulas used to determine grants for Homeland Security is
  - a. lack of support for major metropolitan areas.
  - b. lack of support for activities and materials related to public safety.
  - c. a skew in funding toward states and cities with low populations.
  - d. confusion of material for personal and public safety.
  - e. a reduction in the number of public safety workers.
23. During the 1960s, federal grant programs were increasingly devised on the basis of \_\_\_\_\_ needs.
  - a. local
  - b. state
  - c. national
  - d. regional
  - e. A and B
24. In 1960, over 40 percent of all federal grants to state and local government went to
  - a. Education.
  - b. Medicaid.
  - c. Income Security.
  - d. transportation and highways.
  - e. community and regional development.
25. As of 2006, the largest percentage of federal grant money goes toward
  - a. Education.
  - b. Medicaid.
  - c. Income Security.
  - d. transportation and highways.
  - e. community and regional development.

26. The requirement that a state or locality match federal money is most common with
  - a. categorical grants.
  - b. land grants.
  - c. share-pay loans.
  - d. block grants.
  - e. revenue sharing.
27. The Law Enforcement Assistance Act is an example of a
  - a. categorical grant.
  - b. share-pay loan.
  - c. land grant.
  - d. nullification.
  - e. block grant.
28. Block grants and revenue sharing were efforts to
  - a. ensure that state spending was sensitive to federal policies and goals.
  - b. reverse trends by allowing states and localities freedom to spend money as they wished.
  - c. increase the dependency of state governments on federal money.
  - d. accelerate states spending in areas long ignored by Congress.
  - e. increase “strings” on money given to state and local officials.
29. Which of the following has (have) grown fastest in recent years?
  - a. Categorical grants
  - b. Block grants
  - c. Revenue sharing
  - d. All have grown at about the same rates
  - e. None have actually grown
30. Which of the following is (are) not among the coalition that prefers categorical grants to block grants and revenue sharing?
  - a. Congress
  - b. The federal bureaucracy
  - c. Organized labor
  - d. Liberal interest groups
  - e. State and local officials
31. The intense debate over the manner in which the federal government distributes funds and awards contracts has been precipitated by
  - a. the reemergence of the Tenth Amendment in Supreme Court jurisprudence.
  - b. the lack of two party competition in a handful of states.
  - c. reductions in discretionary spending.
  - d. a shift in population to the South, Southwest and Far West.
  - e. popular demand for a balanced federal budget.
32. With the advent of grants based on distributional formulas, the \_\_\_\_\_ has taken on monumental importance.
  - a. balance of trade
  - b. electoral college
  - c. gross national product
  - d. crime rate
  - e. census

33. Most federal mandates concern
- sexual harassment.
  - civil liberties and civil rights.
  - civil rights and environmental protection.
  - waste management.
  - law enforcement.
34. A 2006 study found that the *highest* number of unfunded mandates could be found in the area of \_\_\_\_\_ policy.
- environmental
  - education
  - health
  - transportation
  - law enforcement
35. Which of the following statements is correct?
- It is difficult to obtain a waiver from an administrative agency with regard to education.
  - There are a high number of unfunded mandates in education policy.
  - The government tends to use more mandates in areas where it spends a great deal of money.
  - The government tends to use more mandates in areas where it spends less money.
  - Environmental protection waivers are fairly easy to obtain.
36. The text suggests the growth of mandates has been fueled by the fact that
- local citizens can use a federal court to change local practices.
  - Congress has taken a greater interest in busing, state prisons, and police brutality.
  - few courts have an interest in hearing cases related to mandates.
  - the Reagan and Bush administrations supported them so enthusiastically.
  - none of the above.
37. The conditions attached to grants are by far the most important federal restriction on state action because
- the Tenth Amendment amplifies their effect.
  - they can change, depending upon the size of the state.
  - they are not subject to review in the courts.
  - state officials play a major role in their interpretation.
  - the typical state depends for a quarter or more of its budget on federal grants.
38. When the election of 1994 brought Republican majorities in the House and the Senate, the first key issue in the drive to shift important functions back to the states was
- the war on drugs.
  - welfare.
  - Social Security.
  - law enforcement.
  - gender discrimination.
39. The text suggests devolution was actually an “old idea” that acquired “new vitality” because
- courts no longer stood in the way of state policies.
  - state constitutions were modified in accordance with federal policies.
  - governors and mayors supported the effort.
  - Congress, rather than the president, was leading the effort.
  - Democratic leaders spearheaded the effort.

## ESSAY QUESTIONS

Practice writing extended answers to the following questions. These test your ability to integrate and express the ideas that you have been studying in this chapter.

1. Explain the differences between political systems which are unitary, confederal or federal.
2. Summarize the views of federalism held by Hamilton and Jefferson. Which view appears to have won out?
3. Summarize the facts of the case which led up to *McCulloch v. Maryland* and the Supreme Court's subsequent decision.
4. Explain what "nullification" refers to and note two prominent examples of "nullification" politics in American history.
5. Discuss some recent decisions of the Supreme Court which suggest the doctrine of dual federalism is not completely dead.
6. Identify and explain three ways that states open the door to "direct democracy."
7. What are three reasons federal grants were initially quite attractive to state officials?
8. What are four reasons why block grants and revenue sharing did not attain the goals of "no strings" or fiscal relief?
9. Explain what the terms "second-order" and "third-order" devolution refer to.

## ANSWERS TO KEY TERMS MATCH QUESTIONS

1. v
2. ff
3. jj
4. r
5. ee
6. ii
7. e
8. i
9. cc
10. j
11. gg
12. s
13. w
14. x
15. g
16. k
17. h
18. p
19. c
20. b
21. o
22. t
23. d
24. m
25. q
26. n
27. a
28. u
29. f
30. y
31. z
32. aa
33. l

34. dd
35. bb
36. hh

## ANSWERS TO DATA CHECK QUESTIONS

1. \$449 billion
2. 13.4 percent
3. 10.4 percent
4. Medicaid, 42.8 percent
5. Transportation and highways in 1960, Medicaid in 2006
6. It increased as a percentage, from 8 to 13 percent
7. It decreased as a percentage, from 43 to a mere 10 percent

## ANSWERS TO TRUE/FALSE QUESTIONS

1. T
2. F It is higher in over a half a dozen states.
3. T
4. T
5. F France has a unitary system.
6. T
7. T
8. T
9. T
10. T
11. T
12. F The Constitution merely mentions commerce “among the several states” without any clear additional elaboration.
13. T
14. T
15. T
16. F *McCulloch* developed when a state attempted to tax a federal bank.
17. T
18. T
19. T
20. F Nullification was suggested, at least in theory, in the *Federalist* papers and was a prominent feature of the Virginia and Kentucky Resolutions.
21. T

22. T
23. T
24. T
25. F The Court struck down the law, declaring that Congress had overstepped its bounds with respect to the regulation of commerce.
26. T
27. F This is the description of an initiative, not a referendum.
28. T
29. T
30. T
31. F They actually began even before the Constitution was adopted.
32. T
33. F This may have been true in the 1960s. Today, most goes to Medicaid and Income Security.
34. T
35. T
36. T
37. F Parties are weakening and, increasingly, the emphasis is on “national” needs, not local needs.

## ANSWERS TO MULTIPLE CHOICE QUESTIONS

1. a
2. d
3. a
4. b
5. e
6. e
7. c
8. b
9. c
10. a
11. d
12. e
13. e
14. d
15. c
16. e

- 17. d
- 18. a
- 19. c
- 20. e
- 21. e
- 22. c
- 23. c
- 24. d
- 25. b
- 26. a
- 27. a
- 28. b
- 29. a
- 30. e
- 31. d
- 32. e
- 33. c
- 34. a
- 35. d
- 36. a
- 37. e
- 38. b
- 39. d